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THE FARM LAND MARKET IN EIGHT NORTH CENTRAL STATES

April - September, 1947 1/

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Summary

Sale prices of farm land in the North Central States continued to rise during 1947, but the number of transfers declined materially. Kinds of financing remained about the same except that individuals and insurance companies supplied a larger proportion of the mortgage credit. Most sellers were individuals and the importance of various kinds of sellers did not differ especially from 1946. There were more owner-operator and fewer nonfarmer buyers than in the preceding year.

Sale Prices

The sale price of farm land in the North Central States continued to increase during 1947. The average price per acre in 23 counties from April to September was \$89, or 14 percent greater than the price during the same period in 1946 and 33 percent more than the price in 1944 (table 1).

In five of the sample counties prices decreased during year. This could have been due to quality differences but in all these counties prices had consistently increased over the last 5 or 6 years. The largest relative change was in Newton County where the April - September price in 1947 was nearly double that of 1946. An average price of \$251 per acre in Champaign County was by far the highest in any survey county.

Resales

Twelve percent of the tracts transferred in 8 sample counties had been sold at least once previously within 24 months (table 2). This percentage is 3 or 4 less than for comparable periods in several preceding years.

1/This report is based on recordings in the county offices supplemented by buyer and seller information obtained from other sources. Previously, reports were issued on a quarterly basis, the latest being 1st quarter, 1946. This statement is for the semi-annual period April to September, 1947. Agricultural experiment stations in all the States cooperated in the collection of the data.

Of the 1947 transfers 26 percent had been sold at least once since 1940. Compared with previous years, this is about what may be expected as the number of years increases.

Resales within 24 months showed a price increase of 28 percent. In 1945 the price change for resales within 24 months was 17 percent and in 1944 it was 15 percent. In these counties, the 1947 average price for all sales was 35 percent greater than the price in 1945 so it appears that increases in resale prices were not especially out of line with other prices.

#### Volume of Transfers

The number of sales in 1947 was considerably smaller than in preceding years. The 23 counties had 1,561 transfers from April to September, which was 80 percent as many as in 1946 and 83 percent of the number in 1943 (table 3). Six counties had more sales in 1947 than in 1946. Counties in Michigan, Missouri, and Wisconsin showed the largest decline in volume; Illinois and Minnesota were the only two States in which numbers of transfers increased.

#### Financing

Cash sales comprised 56 percent of the transfers (table 4). Sellers held mortgages on 8 percent of all sales. These proportions differed very little from those of 1946. Buyers' equity in encumbered transfers was 42 percent, the same as in 1946. Counties and States differed in many respects in their financial changes from 1946 to 1947. Buyers' equity in mortgage transactions was highest in Illinois and Indiana and lowest in Minnesota and Wisconsin.

Individuals and insurance companies supplied a larger proportion of the credit in 1947 than in 1946 (table 5). These two sources furnished 58 percent of the loan funds and commercial banks loaned 25 percent of all funds. Counties having high proportions of loans by individuals usually had low buyers' equities.

#### Sellers

Of the sellers of farm land 85 percent were individuals, 11 percent were estate settlements, and 4 percent were corporations (table 6). These percentages were about the same in 1946. There were no sales by corporations in 12 of the counties, and estates accounted for more than 20 percent of the sales in several counties. All or nearly all the sellers in some counties were individuals.

#### Buyers

Owner-operators bought 42 percent of the tracts in 1947 compared with 33 percent in 1946 (table 7). Tenants and other farmers maintained the same relative importance as in the preceding year. Nonfarmers decreased from 38 percent of all buyers in 1946 to 29 percent in 1947.

Table 1. - Price per acre of farm land sold in 23 North Central Counties,  
1942 to 1947 <sup>1/</sup>

Selected counties	Annual average					April - :Sept.	April - :Sept.
	1942	1943	1944	1945	1946	1946	1947
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Illinois							
Champaign	126	158	189	261	239	239	251
Clinton	51	48	67	66	67	62	94
McHenry	93	118	136	138	155	150	177
Ogle	96	103	116	125	132	127	142
Indiana							
Jennings	20	28	26	36	42	45	41
Newton	-	81	54	66	86	63	125
Noble	53	60	79	82	96	95	100
Iowa							
Clarke	35	37	50	48	57	57	48
Fayette	62	62	72	75	81	71	91
Story	125	130	148	152	154	147	158
Michigan							
Emmett	-	-	24	26	32	32	39
Gratiot	-	62	64	74	80	80	80
Lenawee	-	71	87	102	120	122	126
Ogemaw	-	-	22	29	36	38	30
Minnesota							
Norman	-	24	21	24	26	25	28
Steele	62	74	76	81	86	85	90
Missouri							
Monroe	19	24	25	32	30	28	40
Ohio							
Darke	86	102	115	139	152	162	180
Madison	82	99	98	116	118	139	136
Muskingum	31	36	44	44	44	46	51
Wayne	76	84	95	102	126	127	140
Wisconsin							
Barron	24	31	36	44	46	44	40
Lafayette	47	56	61	70	76	78	83
Average all counties	61 <sup>2/</sup>	68 <sup>2/</sup>	67	77	81	78	89

<sup>1/</sup> Prices are from recorded farm real estate transfers and are the averages for the transfers for which adequate information concerning price and acreage was available. The data were summarized on a quarterly basis and the quarters added together for annual and semi-annual figures. Prices in 1942 represent transfers dated and recorded within the year, whereas prices for the remaining years represent those transfers for which the date of the agreement for sale was within the quarter or the preceding month.

<sup>2/</sup> Not comparable with later years because all counties are not included.

Table 2. - Number of resales and change in sale price for 8 North Central Counties, April - September 1947 1/

Selected counties	: All : sales:	Resales within 24 months	: Percent of : Number:	All resales since 1940	: Percent of : Number:	Change in selling price 2/	: Number : Percent
	:	:	:all transfers:	:	:all sales:	classified:	: price :increase
McHenry, Ill.	46	6	13	18	39	5	38
Jennings, Ind.	118	27	22	42	36	17	14
Fayette, Ia.	47	4	8	10	21	2	38
Ogemaw, Mich.	35	1	2	7	20	1	100
Norman, Minn.	71	7	10	14	20	3	27
Steele, Minn.	53	2	4	4	8	2	52
Wayne, Ohio	114	19	16	34	30	11	24
Lafayette, Wis.	42	2	4	6	14	0	-
All counties	526	68	12	135	26	41	28

1/ Based on current transfers which had been sold at least once previously since Dec. 31, 1940; the most recent previous sale was used for date and price.

2/ Resales within 24 months.

Table 3. - Number of voluntary transfers of farm real estate in 23 North Central Counties, April - September 1943, 1946 and 1947 1/

Selected counties	April to September:		
	1943	1946	1947
	<u>Number</u>	<u>Number</u>	<u>Number</u>
Illinois			
Champaign	29	21	20
Clinton	35	17	40
McHenry	81	66	46
Ogle	42	29	40
Indiana			
Jennings	100	174	118
Newton	30	30	26
Noble	61	55	55
Iowa			
Clarke	46	41	47
Fayette	87	53	47
Story	29	30	22
Michigan			
Emmett	74	77	33
Gratiot	114	121	96
Lenawee	203	172	119
Ogemaw	68	55	35
Minnesota			
Norman	39	76	71
Steele	45	16	53
Missouri			
Monroe	68	117	75
Ohio			
Darke	217	130	136
Madison	58	30	41
Muskingum	124	157	132
Wayne	89	191	114
Wisconsin			
Barron	197	237	153
Lafayette	49	46	42
All counties	1,885	1,941	1,561

1/ Includes bona fide sales transferred and recorded during the quarter and those with transfer dates during the preceding month.

Table 4. - Kind of financing and buyers equity in encumbered transfers, 23 North Central Counties, April - September 1946 and 1947

Selected counties	Transfers		Cash		Seller		Other		Buyers equity	
	classified	1946 : 1947	sales	1946 : 1947	mortgages	1946 : 1947	mortgages 1/	1946 : 1947	in encumbered transactions 1/	1946 : 1947
	No.	No.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
<b>Illinois</b>										
Champaign	17	20	65	65	0	0	35	35	36	64
Clinton	17	38	70	87	0	0	30	13	46	52
McHenry	65	45	43	29	3	0	54	71	54	41
Ogle	29	40	45	38	0	7	55	55	42	43
<b>Indiana</b>										
Jennings	148	76	55	64	5	7	40	29	46	52
Newton	27	26	62	50	0	4	38	46	38	52
Noble	54	52	52	45	4	15	44	40	48	53
<b>Iowa</b>										
Clarke	37	42	52	38	18	26	30	36	30	35
Fayette	53	39	42	51	24	16	34	33	38	39
Story	28	20	42	55	8	0	50	45	51	49
<b>Michigan</b>										
Emmett	75	25	82	84	1	0	17	16	40	48
Gratiot	121	74	55	58	8	2	37	40	38	43
Lenawee	168	106	52	54	10	8	38	38	47	44
Ogemaw	49	19	96	100	0	0	4	0	55	--
<b>Minnesota</b>										
Norman	74	60	84	72	10	3	6	25	42	30
Steele	15	50	67	46	6	22	27	32	38	32
<b>Missouri</b>										
Monroe	96	57	46	53	22	12	32	35	38	42
<b>Ohio</b>										
Darke	130	136	48	48	12	6	40	46	46	42
Madison	30	41	40	56	6	7	54	37	52	51
Washington	157	132	46	52	8	2	46	46	34	29
Wayne	180	100	54	48	6	15	40	37	38	42
<b>Wisconsin</b>										
Barron	213	142	54	73	16	6	30	21	38	34
Lafayette	41	36	58	67	20	14	22	19	24	37
All counties	1,824	1,376	55	56	10	8	35	36	42	42

1/ Includes a small number of purchase contracts.

Table 5. - Sources of credit for mortgage financing in 23 North Central Counties, April - September 1946 and 1947

Selected counties	: Individuals :		: FLB - LBC :		: Insurance : companies :		: Commercial : banks :		: Other 1/ :	
	1946 : 1947	Pct.	1946 : 1947	Pct.	1946 : 1947	Pct.	1946 : 1947	Pct.	1946 : 1947	Pct.
Illinois										
Champaign	15	11	0	0	59	39	26	0	0	0
Clinton	0	0	0	0	43	0	57	100	0	0
McHenry	29	46	13	5	46	26	2	8	10	15
Ogle	11	16	2	14	41	56	32	7	14	7
Indiana										
Jennings	8	19	6	0	6	7	70	68	10	6
Newton	44	1	6	0	12	15	37	65	1	19
Noble	28	17	9	32	39	15	24	24	0	12
Iowa										
Clarke	35	15	0	0	16	60	28	21	21	4
Fayette	42	8	6	8	48	80	3	4	1	0
Story	14	43	22	30	45	0	19	27	0	0
Michigan										
Emmett	63	75	4	0	0	0	29	25	4	0
Gratiot	34	41	0	16	0	12	62	31	4	0
Lenawee	45	41	1	0	1	12	44	38	9	9
Ogemaw	65	0	35	0	0	0	0	0	0	0
Minnesota										
Norman	20	52	10	0	16	6	11	41	43	1
Steele	57	75	0	3	0	8	43	14	0	0
Missouri										
Monroe	42	50	2	7	20	37	36	6	0	0
Ohio										
Darke	54	47	0	1	2	1	31	40	13	11
Madison	33	20	6	0	6	28	47	42	8	10
Muskingum	26	6	3	3	2	0	16	13	53	78
Wayne	27	50	8	4	0	2	39	32	26	12
Wisconsin										
Barron	42	47	15	3	2	8	40	36	1	6
Lafayette	66	70	2	0	10	13	10	17	12	0
All counties	35	38	6	5	15	20	31	25	13	12

1/ Includes Farmers Home Administration and building and loan associations.

Table 6. - Classification of sellers in 23 North Central Counties, April - September 1946 and 1947

Selected counties	: Transfers : classified		: Individuals		: Estates		: Corporations	
	: 1946:1947		: 1946 : 1947 :		: 1946:1947 :		: 1946 : 1947	
	<u>No.</u>	<u>No.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>
Illinois								
Champaign	17	20	88	100	12	0	0	0
Clinton	17	40	59	78	35	22	6	0
McHenry	66	30	88	93	10	7	2	0
Ogle	13	40	54	75	46	20	0	5
Indiana								
Jennings	174	118	91	96	6	2	3	2
Newton	30	26	83	81	10	19	7	0
Noble	55	55	82	78	16	22	2	0
Iowa								
Clarke	41	47	93	47	2	19	5	34
Fayette	53	47	83	81	8	2	9	17
Story	30	22	73	82	17	9	10	9
Michigan								
Emmett	77	33	98	88	1	12	1	0
Gatiot	121	96	96	94	2	4	2	2
Lenawee	172	117	92	81	6	9	2	10
Ogemaw	55	35	98	100	2	0	0	0
Minnesota								
Norman	76	71	80	78	7	11	13	11
Steele	16	53	100	88	0	8	0	4
Missouri								
Monroe	117	75	74	95	11	5	15	0
Ohio								
Darke	130	136	82	80	18	19	0	1
Madison	30	41	63	76	37	24	0	0
Muskingum	157	132	80	78	20	22	0	0
Wayne	191	114	92	94	7	6	1	0
Wisconsin								
Barron	237	153	90	89	2	4	8	7
Lafayette	46	42	85	76	13	24	2	0
All counties	1,921	1,543	87	85	9	11	4	4

Table 7. - Classification of buyers prior to purchase in 23 North Central Counties,  
April - September 1946 and 1947

Selected counties	: Transfers :		Owner- :		: Tenants :		: Other :		: Non- :	
	: classified :		operators 1/:		:		farmers 2/:		farmers	
	: 1946 :	: 1947:	1946:1947		:1946:1947		:1946:1947		: 1946:1947	
	<u>No.</u>	<u>No.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>
Illinois										
Champaign	8	17	38	70	12	6	0	0	50	24
Clinton	12	35	25	51	33	20	0	6	42	23
McHenry	22	11	36	45	32	0	14	0	18	55
Ogle	5	20	20	55	0	0	0	5	80	40
Indiana										
Jennings	45	118	22	10	9	15	5	2	64	73
Newton	22	22	59	64	14	18	0	0	27	18
Noble	38	25	29	40	16	32	0	0	55	28
Iowa										
Clarke	16	42	31	52	25	33	6	5	38	10
Fayette	28	43	21	74	29	0	11	0	39	26
Story	30	10	36	60	27	30	20	0	17	10
Michigan										
Emmett	27	15	18	33	4	13	0	7	73	47
Gratiot	25	19	24	53	32	5	8	10	36	32
Lenawee	58	91	44	21	16	27	2	37	38	15
Ogemaw	13	6	31	17	0	17	0	0	69	66
Minnesota										
Norman	27	54	48	92	19	2	15	6	18	0
Steele	5	53	20	28	40	40	0	4	40	18
Missouri										
Monroe	103	72	36	53	32	29	9	8	23	10
Ohio										
Darke	107	108	34	29	14	27	16	8	36	36
Madison	26	38	42	34	15	18	12	16	31	32
Muskingum	145	90	25	22	10	17	19	14	46	47
Wayne	52	113	34	66	12	10	10	14	44	10
Wisconsin										
Barron	111	0	41	0	23	0	6	0	30	0
Lafayette	28	40	25	43	40	22	14	2	21	33
All counties	953	1,042	33	42	19	19	10	10	38	29

1/ Includes part-owners.

2/ Laborer, son, etc.

